

## Message Text

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FM AMEMBASSY TAIPEI

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UNCLAS SECTION 1 OF 2 TAIPEI 4443

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E.O. 11652: N/A

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SUBJECT: SUPPLEMENTARY MARKET INFORMATION IN SUPPORT OF  
4/76 "BUILDING & CONSTRUCTION MACHINERY  
& SUPPLIES" EXHIBITION

REF : A) TAIPEI A-77, 4/13/75; B) POTHUISJE/LLOYD  
TELCON, 7/1/75; C) USDOC 10306, 7/8/75; D)  
TAIPEI 3829, 6/26/75; E) TAIPEI A-147, 6/24/75

SUMMARY: TC RECOMMENDS THAT 4/76 "BUILDING & CONSTRUCTION  
MACHINERY & SUPPLIES" EXHIBITION FEATURE MOST ADVANCED  
ITEMS UTILIZED FROM SURVEY THROUGH FINISHING STAGES OF A  
BUILDING OR CONSTRUCTION PROJECT. COMMENTS RE ROC MARKET  
FOR THESE ITEMS TOGETHER WITH LISTING OF "BEST" AND "GOOD"  
POTENTIAL SALES ITEMS ARE OUTLINED BELOW.

1. TC CONDUCTED ANALYSES OF TRADE STATISTICS ON BUILDING  
MACHINERY AND SUPPLIES AND HELD ADDITIONAL DISCUSSIONS WITH  
THE PRESIDENT OF RET-SER ENGINEERING AGENCY, THE LARGEST  
ENGINEERING FIRM IN THE ROC, A QUASI-GOVERNMENTAL AGENCY; THE  
VICE PRESIDENT OF BES ENGINEERING CORPORATION, THE SECOND

LARGEST AND ALSO A QUASI-GOVERNMENTAL CONCERN; THE PRESIDENT  
OF THE NEW ASIA CONSTRUCTION AND DEVELOPMENT CORPORATION,  
A LARGE PRIVATE FIRM; THE PRESIDENT OF CATHAY ENGINEERING  
CORPORATION, A MEDIUM SIZE PRIVATE FIRM; THE PRESIDENT  
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OF THE TAIPEI ARCHITECTURAL ASSOCIATION; THE PRESIDENT  
OF THE TAIWAN BUILDING MATERIALS ASSOCIATION; AND  
CATERPILLAR'S ROC SALES REPRESENTATIVE. OUTLINED BELOW  
ARE MARKET OBSERVATIONS DRAWN FROM THESE EFFORTS:

A) THE ANNUAL GROWTH RATE OF THE ROC'S BUILDING AND CONSTRUCTION INDUSTRY FROM 1973 TO 1974 WAS 13.5 PERCENT. BY 1977 THIS INDUSTRY MAY ACHIEVE AN ANNUAL GROWTH RATE OF 15 PERCENT.

B) SINCE 1973 THE ROC HAS BEEN A NET IMPORTER OF BUILDING AND CONSTRUCTION MACHINERY AND A NET EXPORTER OF BUILDING SUPPLIES. THIS TREND SHOULD CONTINUE OVER THE NEXT FIVE YEARS. (SEE "TAIWAN EXPORTS" AND "ANALYSES OF TRADE STATISTICS", BOTH MAILED SEPARATELY.)

C) EARTHMOVING MACHINERY COMPRISED THE LARGEST IMPORT CATEGORY WITH LIFTING AND LOADING MACHINERY AS THE SECOND LARGEST. U.S. MACHINERY OF THIS TYPE IS PREFERRED FOR ITS DURABILITY. (SEE REF A) PP.11 AND 15-18.)

D) IN RESPONSE TO QUESTIONS RAISED IN REF(C), U.S. SALES OF EARTHMOVING MACHINERY WERE PARTICULARLY HIGH IN '73 AND '74 AS A RESULT OF THE COMMENCEMENT OF THE 10 MAJOR CONSTRUCTION PROJECTS, SOME OF WHICH WILL EXTEND INTO THE 1980'S. DEMAND WILL DECLINE, NOT CEASE, TOWARD 1977. FOR EARTHMOVING MACHINERY PURCHASED IN THE 1960'S, REPLACEMENTS WILL BE NEEDED (SEE BROCHURE ON NEW ASIA, PP.19-27, MAILED SEPARATELY.) PARTS, A LARGE IMPORT SUB-CATEGORY, WILL BE NEEDED FOR THE RESTORATION AND REPAIR OF WORN AND DAMAGED MACHINERY (SEE REF A) P.16). ROC FIRMS ALSO WISH TO UPDATE THEIR EQUIPMENT INVENTORIES WITH PURCHASES OF THE MOST RECENT INNOVATIONS IN EARTHMOVING MACHINERY AVAILABLE IN THE U.S. FURTHERMORE, IN ADDITION TO ITS HOUSING EXPANSION PROGRAM, THE GROC IS NOW PLANNING FURTHER INFRASTRUCTURE IMPROVEMENTS TO COMMENCE AS THE 10 MAJOR CONSTRUCTION PROJECTS NEAR CONCLUSION. THE GROC HAS NOT ANNOUNCED THE NATURE OF THESE ADDITIONAL PROJECTS, BUT TC EXPECTS THEY WILL INCLUDE IMPROVEMENT OF THE CROSS-ISLAND AND FEEDER ROADS. THEREFORE, OVER THE NEXT 5 YEARS U.S. MANUFACTURED EARTHMOVING MACHINERY UNCLASSIFIED

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IDENTIFIED IN PARA 2 BELOW SHOULD CONTINUE TO BE "BEST SELLERS" AND ROC ENGINEERING FIRMS CONTINUE TO WIN CONTRACTS FOR PROJECTS IN TAIWAN AND IN THIRD COUNTRIES. (SEE BROCHURES FOR RET-SER, BES AND NEW ASIA, MAILED SEPARATELY.)

E) THE ROC MANUFACTURES (AND EXPORTS) MOST OF THE BUILDING SUPPLIES CURRENTLY USED ON THE ISLAND. HOWEVER, NEW, LOW COST, LIGHT-WEIGHT, DURABLE SUPPLIES SUPERIOR TO THOSE AVAILABLE DOMESTICALLY WILL FIND A MARKET HERE. COMMODITY PRICES, FREIGHT COSTS, AND IMPORT DUTIES ARE MAJOR CONSIDERATIONS FOR POTENTIAL BUYERS CHOOSING BETWEEN FOREIGN AND LOCALLY MANUFACTURED SUPPLIES.

F) THERE IS A GROWING DEMAND HERE FOR THE MOST ADVANCED MACHINERY AND TECHNIQUES AVAILABLE FOR THE PRODUCTION OF MODERN BUILDING SUPPLIES SUCH AS PRECAST CONCRETE, PRECAST METALS, AND PREFABRICATED STRUCTURAL COMPONENTS (SEE ITEMS 2C AND E BELOW). THE LATTER ARE BEING CONSIDERED BY RET-SER AND NEW ASIA FOR USE IN HOUSING CONSTRUCTION FOR LOW INCOME FAMILIES.

G) END USERS PREFER U.S. MACHINERY AND SUPPLIES, BUT NOTED THAT SLOW DELIVERIES, DELAYS, LACK OF LOCALLY AVAILABLE PARTS AND INADEQUATE AFTER-SALES-SERVICES OCCASIONALLY JEOPARDIZE THE TIMELY COMPLETION OF CONTRACTED PROJECTS. U.S. MANUFACTURERS COULD IMPROVE THEIR MARKET POSITION BY CORRECTING THESE SHORTCOMINGS.

H) U.S. MANUFACTURED MACHINERY AND SUPPLIES ARE PRICED HIGHER THAN THOSE FROM JAPAN. NEVERTHELESS, END USERS PREFER U.S. MACHINERY AND SUPPLIES FOR THEIR DURABILITY AND QUALITY. THE ROC'S CURRENT "BUY AMERICA" POLICY AND ITS DISCOURAGEMENT OF IMPORTS FROM JAPAN PLACE U.S. MANUFACTURERS IN STRONG COMPETITIVE POSITION VIS-A-VIS THIRD COUNTRIES. THIS COMPETITIVE POSITION COULD BE FURTHER STRENGTHENED THROUGH THE EXTENSION OF LIBERAL CREDIT ARRANGEMENTS FOR THE PURCHASE OF AMERICAN PRODUCTS.

2. ON THE BASIS OF INTERVIEWS AND STATISTICAL ANALYSES, TC LISTS BELOW BY PROJECT STAGE THE POTENTIAL "BEST" AND "GOOD" UNCLASSIFIED

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SALES ITEMS. BECAUSE MANY OF THESE ITEMS ARE NEW TO THE ROC MARKET, TC WAS UNABLE TO INCLUDE ALL OF THEM IN THE STATISTICAL ANALYSES (MAILED SEPARATELY).

A) SURVEY & ARCHITECTURAL

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BEST

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- . MOVNLE PARALLELS
- . SCALES
- . PIN FOUNTAIN PENS
- . PRECISION OPTICAL SURVEYING INSTRUMENTS

B) EXCAVATING, LEVELING, BORING

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BEST

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- . BULLDOZERS
- . DOZERS FOR MOUNTING ON TRACTORS
- . SHOVELS

- . OIL WELL DRILLING MACHINERY
- . PILE DRIVERS, HYDRAULIC
- . GRADERS
- . MOTOR GRADERS AND LIGHT MAINTAINERS
- . ROCK DRILLS
- . SCRAPERS, DIG-CARRY-HAUL, WHEEL TRACTOR TYPES
- . PARTS JM ACCESSORIES FOR ABOVE

GOOD

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- . EXCAVATORS
- . COMPACTORS, WHEEL TRACTOR, AND TOWED TYPE ROAD  
ROLLERS, SELF PROPELLED
- . DITCHERS AND TRENCHERS, SELF PROPELLED
- . BACKHOES FOR MOUNTING ON WHEEL TRACTORS
- . RIPPERS AND ROOTERS FOR MOUNTING ON TRACTORS
- . CHEMICALS FOR SOIL TREATMENT, ANTI-FUNGAL, ANTI-BACTERIAL  
TYPES
- . TRACK TYPE TRACTORS

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C) ROAD ROLLING

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BEST

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- . ROAD ROLLERS, MECHANICALLY PROPELLED

D) FOUNDATION

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BEST

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- . CONCRETE MIXERS AND BATCHERS
- . BITUMINOUS MIXERS AND BATCHERS
- . CRUSHING PLANTS
- . CONCRETE PUMPS
- . MACHINERY FOR CONCRETE PRECASING
- . MACHINERY FOR CONCRETE EXTRUDING
- . MACHINERY FOR CONCRETE ANCHOR DRILLING
- . IMPACT HAMMERS. MACHINERY FOR PRODUCTION OF
  - HIGH STRESS CONCRETE DECKS
  - HEAVY DUTY CONCRETE FORMS
  - HEAVY DUTY STEEL CONCRETE FORMS
  - EXTERIOR ARCHITECTURAL STONE
  - CONCRETE INSERTS, FASTENERS
  - CONCRETE PLANKS FOR ROOFS & FLOORS
  - PRECAST ARCHITECTURAL CEMENT
- . CONCRETE TESTING MACHINERY
- . CONCRETE HARDENERS
- . DRAINAGE SYSTEMS

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FM AMEMBASSY TAIPEI

TO USDOC WASHDC

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GOOD

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- . ASPHALT PAVERS
- . MOISTURE RESISTANT COATINGS FOR CONCRETE SURFACES
- . TILE ADHESIVE
- . CEMENT COLORING MIXTURES
- . CONCRETE AND MASONRY CARE PRODUCTS
- . NON-SLIP CONCRETE SURFACES
- . WATER REPELLENT CONCRETE ADMIXTURES
- . CONCRETE WATER REDUCING DENSIFYING ADMIXTURES
- . CONCRETE CURING COMPOUNDS
- . CONCRETE FLOOR TREATMENTS
- . CONCRETE ANTI-EROSION MATERIAL

E) LIFTING & LOADING

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BEST

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- . TOWER CREANES
  - . POWER CRANES, EXCAVATOR TYPE, CRAWLER MTD.
  - . POWER CRANES, EXCAVATOR TYPE, CRAWLER MTD., OVER 21 CU.  
YD., 50 TON CAPACITY
  - . WALKING DRAGLINES AND WALKING CRANES, EXCAVATOR TYPE
  - . POWER CRANES, DRAGLINES, AND SHOVELS, SELF PROPELLED
  - . POWER CRANES, DRAGLINES AND SHOVELS, UNMOUNTED,  
EXCAVATOR TYPE
  - . PARTS AND ATTACHMENTS FOR ABOVE CRANES
  - . LOADING MACHINES, WHEEL AND TRACK
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- . INTEGRAL TRACTOR-SHOVEL LOADERS, WHEEL TYPE, 2-WHEEL DRIVE
- . PARTS AND ATTACHMENTS FOR LOADERS
- . CHAIN CONVEYORS
- . CHAIN BLOCKS
- . CAPSTANS AND WINCHES, ELECTRIC MOTOR DRIVEN

- . FORK LIFTS AND OTHER-INDUSTRIAL TRUCKS
- . PARTS AND ATTACHMENTS FOR LIFTING MACHINERY

GOOD

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- . SECALATORS
- . MOVING WALKWAY SYSTEMS
- . ELEVATORS

F) STRUCTURE

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BEST

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- . MACHINERY FOR PRODUCTION OF
  - PRECAST CONCRETE PANELS AND MURALS
  - PRECAST CONCRETE ROOF DECKS
  - PRECAST ALUMINUM FACADES
  - INSULATING CONCRETE, HEAT & NOISE
  - PRECAST ARCHITECTURAL CONCRETE
  - FACADE FINISHES
  - PRECAST CONCRETE BEAMS AND COLUMNS
  - PRECAST CONCRETE COMPONENTS FOR SYSTEMS BUILDING
  - PRE-ENGINEERED EXTERIOR WALL SYSTEMS
  - EXTERIOR ARCHITECTURAL STONE
  - STEEL FRAMING SYSTEMS
  - HIGH STRENGTH STRUCTURAL STEEL
  - AIR CONDITIONING DUCTS FOR LARGE BUILDINGS
  - FLOORING SYSTEMS
  - ARCHITECTURAL GRATINGS
  - GRATINGS FOR BRIDGE FLOORING
  - ARCHITECTURAL GRILLS
  - RAILINGS
  - TEXTURED METALS
  - ABRASIVE THRESHOLDS
  - METAL PANELS SYSTEMS

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- . MTAL SLITTER-SHEARS, AUTOMATIC, PROGRAMABLE
- . METAL BLANKING MACHINES, AUTOMATIC PROGRAMABLE
- . MACHINERY FOR PRODUCTION OF MOVABLE PARTITIONS
- . METAL BAND SAWS
- . PORTABLE TORCHES
- . WELDING EQUIPMENT, GAS, ELECTRIC
- . AUTOMATIC NAILERS
- . INDUSTRIAL STAPLERS
- . CAULKING GUNS
- . SCREEDERS
- . SPECIALIZED EQUIPMENT FOR PREFAB BUILDING ELEMENTS
- . MACHINES FOR APPLYING PLASTIC
- . SCRAPERS AND SCRAPER BOWLS
- . HAND HELD COMPACTING MACHINES

- . IMPACT WRENCHES
- . MACHINERY FOR PROCESSING GLASS FIBRE
- . CENTRAL AIR CONDITIONING SYSTEMS
- . CENTRAL HEATING SYSTEMS
- . CORROSION PROOF PLUMBING SYSTEMS
- . ADVANCED ELECTRICAL DISTRIBUTION SYSTEMS FOR LARGE BUILDINGS
- . ADVANCED ELECTRICAL SWITCHING EQUIPMENT
- . ADVANCED POWER AND ELECTRICAL SERVICE EQUIPMENT

GOOD

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- . PLANERS, WOOD
- . SANDING MACHINES
- . PANEL SIZING, SPLITTING, AND NOTCHING MACHINERY FOR WOOD
- . AQNOMATIC LATHES FOR WOOD AND METAL
- . AUTOMATIC BORING MACHINERY FOR WOOD AND METAL
- . MACHINERY FOR PRODUCTION OF ALUMINUM WINDOW AND DOOR FRAMES
- . PNEUMATIC HANDTOOLS FOR WORKING WOOD, METAL, AND CONCRETE
- . HANDTOOLS

G) FINISHING & INTERIOR DECORATION

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BEST

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- . WALLPAPER, WATERPROOF, FIREPROOF
- . PLASTERING MACHINES

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- . PAINTS, INTERIOR, EXTERIOR, WATERPROOF, FIREPROOF, PLASTIC AND VINYL EMULSION
- . PAINTS -- CORROSION PROOFING FOR METALS
- . PAINT AND RUST REMOVERS
- . ADHESIVES AND GLUES
- . MASTICS & SEALING COMPOUNDS
- . NYLON AND PLASTIC WEATHERSTRIPPING
- . FIREPROOF CARPETING
- . FIREPROOF DRAPERIES
- . DOOR LOCKS OF BASE METAL
- . BUILDERS' HARDWARE

GOOD

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- . BATHROOM FIXTURES, TOILETS, TUBS, BASINS
- . KITCHEN FIXTURES, RANGES, SINKS, GARBAGE DISPOSALS, CABINETS
- . MACHINERY FOR PRODUCTION OF ASBESTOS-CEMENT PLATES
- . ASPHALT SHINGLES FIREPROOF, CRACKPROOF, FADE-PROOF
- . SPRINKLER SYSTEMS - FIRE PREVENTION
- . CUBICAL SYSTEMS (MOVABLE) FOR OFFICE SPACING
- . MOVABLE OFFICE PARTITIONS
- . LIGHTING FIXTURES, INTERIOR, EXTERIOR

H) MISCELLANEOUS ITEMS

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GOOD

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- . CLEAN ROOM SYSTEMS
- . MULTIPURPOSE TURFS FOR ATHLETICS, FOR SAFETY
- . TURF COLORING SYSTEMS
- . ARCHITECTURAL PLANTERS AND FORMS
- . SITE DIVIDERS

3. TO PROVIDE INFORMATION ON THE SIZE, WORK, AND EQUIPMENT INVENTORIES OF MAJOR ROC ENGINEERING FIRMS, TC FORWARDED TO COMMERCE BY AIR MAIL BROCHURES ON RET-SER, BES AND NEW ASIA. AS AN INDICATION OF BUILDING SUPPLIES PRODUCED IN ROC AND EXPORTED, TC ALSO MAILED EXCERPTS FROM BOFT'S TAIWAN EXPORTS: BUILDING MATERIALS AND RECREATION EQUIPMENT, TOGETHER WITH UNCLASSIFIED

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A BROCHURE FOR CETDC'S 8/75 "BUILDING MATERIALS & METAL PRODUCTS SHOW."

4. IN REF(A) PAGE 4, LINE 2, "APARTMENT HOUSES" SHOULD BE CHANGED TO "APARTMENT UNITS."  
UNGER

UNCLASSIFIED

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## Message Attributes

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